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News Release

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Minneapolis musician charged with tax evasion

A 53-year-old Minneapolis man was indicted today in federal court with four counts of tax evasion. Steven Mark Renner was indicted for willfully attempting to evade and defeat a large part of his income tax due and owing by him to the United States for the tax years 2002-2005. The total tax due and owing is allegedly \$332,162.

From 2001 through 2006, Renner owned and operated Cash Cards International (CCI), an Internet-based stored-value card and money transmission business with locations in Minnesota, South Dakota and Hawaii. CCI also operated a multi-level sales distributorship business opportunity for the sale of the cash cards.

The indictment alleges that Renner diverted substantial funds from CCI during 2002-2005, and alleges that he used those funds to pay his personal living expenses, as well as to make personal investments in coins, oil wells, art, stamps and vintage musical instruments. Renner also used CCI funds to fund and promote his musical band, "Stevie Renner and the Renegades."

Although he was required to do so, Renner did not timely file federal income tax returns with the Internal Revenue Service, and did not pay the approximately \$332,162 in tax due and owing for those years, the indictment alleges.

In April 2002, Renner submitted an application to the Minnesota Department of Commerce to license CCI as a money transmitting business, but did not provide tax returns as required by the department. The department, in May 2002, issued a Cease and Desist Order directing CCI to cease operations, in part because Renner did not complete the application.

In 2004, the U.S. Securities and Exchange Commission (SEC) directed Renner and CCI to provide tax returns for CCI, and on March 5, 2006, after Renner became aware of another federal investigation into CCI and himself, he filed the tax returns for tax years 2002-2005. According to the indictment, Renner included CCI's tax return information on his personal tax returns, and those returns falsely and substantially understated his income and the tax due and owing for each year.

If convicted, Renner faces a potential maximum penalty of five years on each tax evasion count. All sentences are determined by a federal district court judge. This case is the result of an investigation by the IRS-Criminal Investigation Division, the SEC and the Minnesota Department of Commerce. It is being prosecuted by Assistant U.S. Attorney John R. Marti.

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An indictment is a determination by a grand jury that there is probable cause to believe that offenses have been committed by the defendant. The defendant, of course, is presumed innocent until he or she pleads guilty or is proven guilty at trial.